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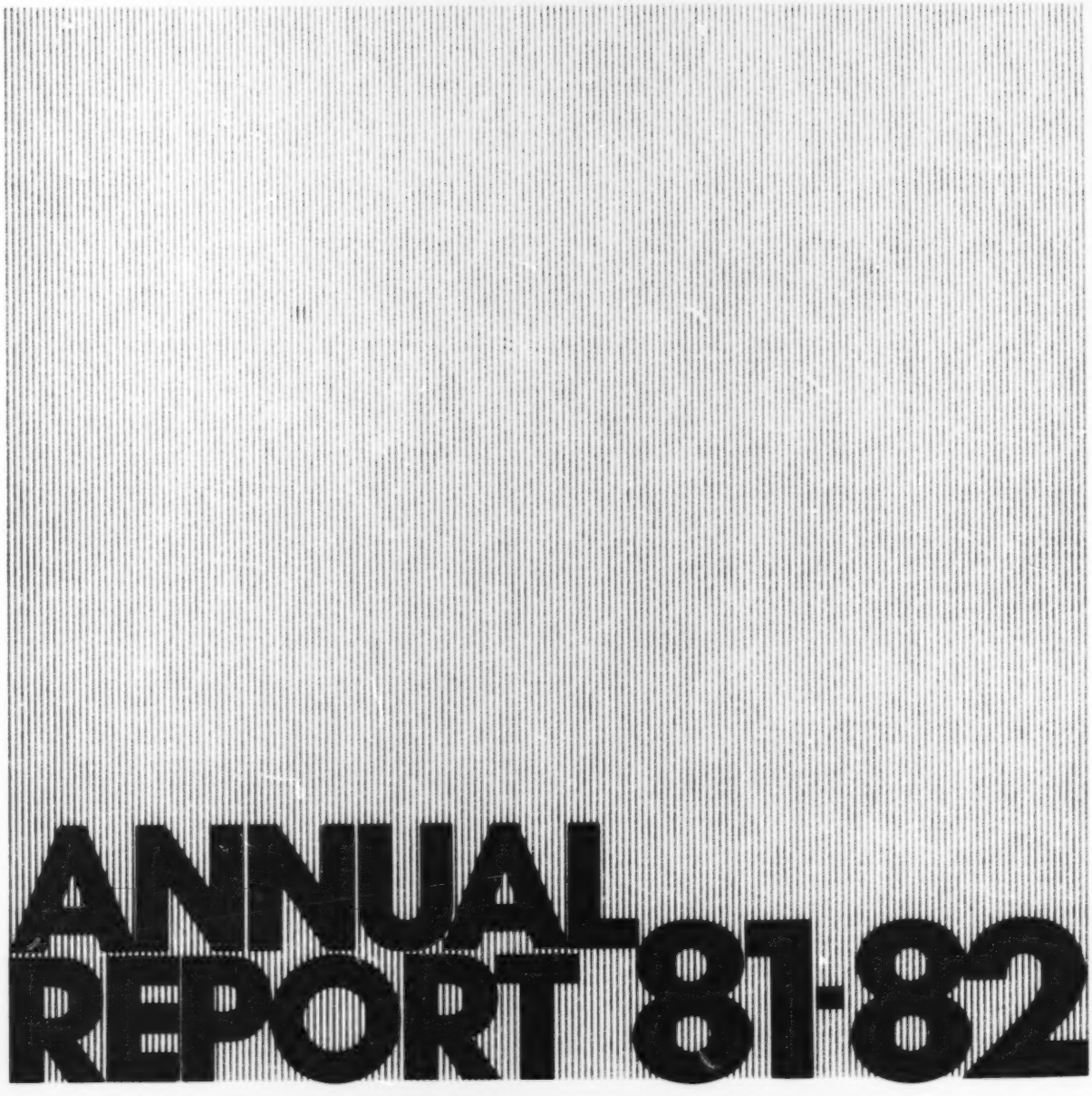
MANITOBA AGRICULTURAL CREDIT CORPORATION



ANNUAL REPORT 81-82

Honourable Billie Uruski
Minister of Agriculture
165 Legislative Building
WINNIPEG, Manitoba
R3C 0V8

Dear Mr. Uruski:

I have the honour to submit herewith the Annual Report of The Manitoba Agricultural Credit Corporation and the financial statements for the fiscal year ending March 31, 1982.

Yours respectfully,

L. E. Harapiak

Leonard Harapiak
Chairman
Manitoba Agricultural
Credit Corporation

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

BOARD OF DIRECTORS

APRIL 1, 1981 - MARCH 31, 1982

Richard Klassen	-	Chairman
Harold Clement	-	Vice-Chairman
Robert Manns	-	Member
Grant McCausland	-	Member
Donald A. Fraser	-	Member
Patricia Barry	-	Secretary

BOARD OF DIRECTORS

(appointed as at MARCH 31, 1982)

Leonard Harapiak	-	Chairman
Constance MacDonald	-	Vice-Chairwoman
Harold Reske	-	Member
Lawrence Bell	-	Member
Hubert Sinclair	-	Member
Patricia Barry	-	Secretary

OFFICERS

Neil A. Potter	-	General Manager (August 3, 1981 - March 31, 1982)
J. L. Bodner	-	Director, Financial and Administrative Services
S.N.H. Westdal	-	Acting General Manager (April 1, 1981 August 3, 1981)
S.N.H. Westdal	-	Director of Programs

FINANCING OF THE CORPORATION

Since its first year of operation in 1959, the Corporation has borrowed its capital from the Province of Manitoba. The capital funds remained with the Corporation to be re-used for lending purposes and the interest on this capital was paid annually to the Province.

Commencing in 1977, arrangements were made to repay capital advances together with interest charges over an amortized period consistent with the term over which these monies were loaned.

STATEMENT OF REVENUE AND EXPENDITURE

Under the Agricultural Credit Corporation Act, the government covers the Corporation's administration and net interest costs. These costs were $2.323 million in the year under review compared to $ .693 million in the previous year, the increase being mainly due to reduced real estate sales and increased young farmer rebate payments.

Under Part III of the Fisheries Act, the government covers the administration costs and net interest costs of the Fisherman's Loan Program. These costs were $348,000 compared to $294,000 the previous year. The increase is mainly attributable to increased salaries due to a full staff compliment and high prime rate interest costs.

OPERATIONS REVIEW

ACTIVE M.A.C.C. ACCOUNTS
as at March 31, 1982

1.	Direct Loan Accounts	5,523
2.	Corporate and Co-operative Loan Accounts	34
3.	Crown Land Purchase Accounts	89
4.	Stocker Accounts	79
5.	Beef Producers Income Assurance Accounts	84
6.	Guaranteed Loan Accounts	140
7.	Long-Term Lease Accounts	138
8.	Short-Term Lease Accounts	15
9.	Farm Diversification Loan Accounts	838
10.	Emergency Fodder Loan Accounts	6
11.	Livestock Grant Accounts	43
12.	Fisherman's Loan Accounts	1,218
	TOTAL:	8,207

1981/82 LOAN ACTIVITY

During the 1981/82 fiscal year, the Corporation's agricultural activities totalled $43.7 million, an increase of $8.5 million over the previous year.

The most significant increase was in Direct Loans in the amount of $10 million.

Fisherman's Loans for the year totalled $2.5 million, an increase of $0.5 million over the previous year.

M.A.C.C.

SUMMARY OF ACTIVITY

(Compared With Previous Fiscal Year)

	1980/81		1981/82	
	Number	Amount	Number	Amount
Direct Loans	430	25,887,520	578	35,942,243
Corporate, Co-operative & Partnership Loans	1	50,400	3	611,808
Crown Land Loans	21	364,419	70	1,001,836
Stocker Loans	25	590,365	13	293,002
Beef Producers Income Assurance Loans	78	105,713	7	12,783
	555	26,998,417	671	37,861,672
Guaranteed Loans	81	3,379,200	103	3,838,900
Land Sales	86	4,777,599	36	1,963,501
	722	35,155,216	810	43,664,073
Fisherman's Loans - Administered by M.A.C.C. for Department of Natural Resources	1022	2,002,626	1048	2,506,127
TOTAL ACTIVITY:	1744	37,157,842	1858	46,170,200

DIRECT LOANS

Since its inception in July of 1978, the current direct loan program has generated a loan volume of $93.2 million with $63.1 million of this amount used for land purchases.

Of the $35.9 million approved in direct loans during 1981-82, 61% was used for the purchase of land, 22% for consolidation of debts, 9% for permanent improvements to land and buildings, and the remaining 8% for equipment, livestock and other purposes. Young farmers were recipients of 95% of the proceeds of the direct loans.

CORPORATE AND CO-OPERATIVE LOANS

During the year under review, $611,808 was approved in loans for corporations. In addition, performance bond guarantees were approved in the amount of $237,370.

CROWN LAND LOANS

During 1980-81, the program was introduced to provide mortgage money to lessees of Crown Lands to purchase the leased land.

During 1981-82, 70 loans were approved totalling $1,001,836, bringing total volume under this program to 91 loans for $1,366,255.

STOCKER PROGRAM

The On-going Stocker Program, designed to provide cattle inventory financing to qualified livestock producers, was introduced by the Corporation on July 9, 1975. During the year 1981-82, there were 13 loan approvals totalling $293,002 for the purchase of 836 head of cattle. From inception of the program to March 31, 1982, a total of 543 applications had been approved for 28,830 head of cattle with a value of $7,715,714.

BEEF PRODUCERS INCOME ASSURANCE LOANS

During 1980-81, this program was introduced to make possible termination of the Manitoba Beef Producers Income Assurance Plan agreements by those agreement-holders who wished to terminate their contracts but did not have the money available to pay them out.

For the 1981-82, 7 new loans were approved for $12,783, bringing total approvals to 85 loans for $118,496.

GUARANTEED LOANS

The Specific Comprehensive Guaranteed Loans program allows the Corporation to fully indemnify theS.C.G.L. lender from loss after all loan security has been liquidated and all other loan conditions have been complied with.

During the year, 3 loans totalling $178,400 were approved bringing total activity under this program to 30 loans for $2,064,061.

The Corporation's contingent liability under this program was $2,001,888 at March 31, 1982.

GUARANTEED LOANS (continued)

Under the 10% Cumulative Guarantee Program, the Corporation guarantees each lender's loss to a maximum of 10% of the total loans approved during specific time periods.

During the year, 100 new loans totalling $3,660,500 were approved, bringing the Corporation's contingent liability on outstanding loans under this program to $482,641 at March 31, 1982. In addition, one guarantee in the amount of $17,400 was paid by the Corporation.

LAND LEASE PROGRAM

Effective October 26, 1977, the Corporation discontinued purchasing land for leasing purposes. After processing of the applications on hand at that date, the Corporation had acquired 223,600 acres at a cost of $22.6 million.

During the fiscal year 1981-82, 36 properties with a total cost of $1,503,108 were sold to lessees under the terms of the purchase option clauses in their lease agreements. One of these properties was sold to lessees who obtained financing from outside sources. The balance were financed by the Corporation.

The total revenue received from the 36 properties sold was $1,963,501.

LIVESTOCK INCENTIVE GRANTS

Conditional incentive grants for the purchase of female cattle and sheep and for the construction of milk production facilities were discontinued March 31, 1976. Those grants for which conditions have not as yet been fully complied with amounted to $25,522 at March 31, 1982. During the seven year period ended March 31, 1982, grants amounting to $5,170,879 were finalized and $753,664 has become repayable because of non-compliance.

FISHERMEN LOANS

During the year, the Corporation approved 1048 Fishermen Loans totalling $2,506,127. This amount, which represents a 25% increase from 1980-81 level, brought the total loans approved since inception of the program to a gross total of $13,461,727.

To date, the Fisherman's Loan Program has been used by 2049 clients. Because a very high percentage of these fishermen (approximately 86% in both 1980-81 and 1981-82) are returning for supplemental loans every one to two years, it appears that fishermen are making use of this program for their revolving credit needs for capital purchases.

M.A.C.C.
FISHERMAN LOAN APPROVALS - TOTAL PROVINCE
FOR THE FIVE YEARS ENDED MARCH 31

	1977/78	1978/79	1979/80	1980/81	1981/82
Number	872	799	926	1022	1048
Amount $	1,364,529	1,341,802	1,407,143	2,002,626	2,506,127

TABLES

The following tables summarize a five year period of credit activities which are compared on the basis of purposes of loans, ages of applicants and geographical regions of the Province.

I - APPROVED LOANS BY PURPOSES

II - APPROVED LOANS BY AGE GROUPS

III - SUMMARY OF PROGRAMS

IV - PROGRAMS IN INTERLAKE REGION

V - PROGRAMS IN EASTERN REGION

VI - PROGRAMS IN CNETRAL REGION

VII - PROGRAMS IN SOUGH WESTERN REGION

VIII - PROGRAMS IN NORTH WESTERN REGION

APPROVED DIRECT LOANS BY PURPOSES

PERCENTAGE COMPARISON

FOR THE FIVE YEARS ENDED MARCH 31

	1977-78	1978-79	1979-80	1980-81	1981-82	
	%	%	%	%	%	Amount
PURCHASE OF LAND BY BORROWER	-	33	69	74	61	22,069,420
PERMANENT IMPROVEMENTS, BUILDINGS	17	9	8	7	8	2,923,564
PERMANENT IMPROVEMENTS, LAND	-	-	-	-	1	307,125
CONSOLIDATION OF DEBTS	25	24	18	12	22	7,758,862
PURCHASE OF LIVESTOCK	4	3	4	5	6	2,123,070
PURCHASE OF EQUIPMENT	54	30	-	1	1	354,950
OTHER PURPOSES	-	1	1	1	1	405,252
TOTAL:	100	100	100	100	100	35,942,243

APPROVED AGRICULTURAL LOANS BY AGE GROUPS
FOR THE FIVE YEARS ENDED MARCH 31

	* YOUNG FARMERS					OTHERS					TOTALS				
	1977-78	1978-79	1979-80	1980-81	1981-82	1977-78	1978-79	1979-80	1980-81	1981-82	1977-78	1978-79	1979-80	1980-81	1981-82
NEW LOANS															
NUMBER	246	370	325	350	428	52	53	4	5	22	298	423	329	355	450
%	83%	87%	99%	99%	95%	17%	13%	1%	1%	5%					
AMOUNT	3,653,652	11,015,238	20,787,087	23,054,685	28,125,639	902,638	1,104,655	221,394	312,630	1,276,366	4,556,290	12,119,893	21,008,481	23,367,315	29,402,005
%	80%	91%	99%	99%	96%	20%	9%	1%	1%	4%					
AVERAGE	14,852	29,771	63,960	65,871	65,714	17,358	20,843	55,348	62,526	58,017	15,290	28,652	63,856	65,823	65,338
ADDITIONAL LOANS															
NUMBER	138	160	69	68	121	38	39	7	7	7	176	199	76	75	128
%	78%	80%	91%	91%	95%	22%	20%	9%	9%	5%					
AMOUNT	1,675,666	3,063,120	3,307,087	2,342,102	6,292,188	448,515	627,842	43,823	178,103	248,050	2,124,181	3,690,962	3,350,910	2,520,205	6,540,238
%	79%	83%	99%	93%	96%	21%	17%	1%	7%	4%					
AVERAGE	12,143	19,144	47,929	34,442	52,002	11,803	16,098	6,260	25,443	35,436	12,069	18,548	44,091	33,602	51,096
TOTAL															
NUMBER	384	530	394	418	549	90	92	11	12	29	474	622	405	430	578
%	81%	85%	97%	97%	95%	19%	15%	3%	3%	5%					
AMOUNT	5,329,318	14,078,358	24,094,174	25,396,787	34,417,827	1,351,153	1,732,497	265,217	490,733	1,524,416	6,680,471	15,810,855	24,359,391	25,887,520	35,942,243
%	80%	89%	99%	98%	96%	20%	11%	1%	2%	4%					
AVERAGE	13,878	26,563	61,153	60,758	62,692	15,013	18,831	24,110	40,894	52,566	14,094	25,419	60,147	60,204	62,184

* Young Farmers are those 18 to 39 years of age.

(III)

SUMMARY OF PROGRAMS

FOR THE FIVE YEARS ENDED MARCH 31

	1977-78	1978-79	1979-80	1980-81	1981-82
DIRECT LOANS					
No.	474	622	405	430	578
Amount	6,680,471	15,810,855	24,359,391	25,887,520	35,942,243
CORPORATE LOANS					
No.	1	3	4	1	3
Amount	55,600	102,408	405,750	50,400	611,808
CROWN LANDS LOANS					
No.	-	-	-	21	70
Amount	-	-	-	364,419	1,001,836
STOCKER LOANS					
No.	126	124	40	25	13
Amount	1,650,575	2,878,192	1,049,155	590,365	293,002
BEEF PRODUCERS' INCOME ASSURANCE LOANS					
No.	-	-	-	78	7
Amount	-	-	-	105,713	12,783
GUARANTEED LOANS					
- Farm Production					
No.	-	2	8	56	100
Amount	-	55,275	262,500	1,756,800	3,660,500
- Specific Comprehensive					
No.	-	-	2	25	3
Amount	-	-	263,261	1,622,400	178,400
LAND SALES					
No.	22	132	142	86	36
Amount	695,264	5,115,880	6,299,092	4,777,599	1,963,501
LAND PURCHASES					
No.	79	-	-	-	-
Amount	4,500,001	47,500	-	-	-
LAND LEASES *					
No.	102	-	-	-	-
TOTAL					
No.	804	883	601	722	810
Amount	13,581,912	24,010,110	32,639,149	35,155,216	43,664,073

* Value of Land Leased 5,226,760

These amounts are included in the above land purchases totals.

(IV)

SUMMARY OF PROGRAMS

FOR THE FIVE YEARS ENDED MARCH 31

INTERLAKE REGION

	1977-78	1978-79	1979-80	1980-81	1981-82
DIRECT LOANS					
No.	73	95	39	52	85
Amount	645,701	1,910,485	2,066,233	2,740,731	4,544,279
CORPORATE LOANS					
No.	1	-	-	-	-
Amount	55,600	-	-	-	-
CROWN LANDS LOANS					
No.	-	-	-	13	36
Amount	-	-	-	237,453	519,997
STOCKER LOANS					
No.	21	17	1	1	1
Amount	177,925	450,120	(57,500)	45,000	(5,300)
BEEF PRODUCERS' INCOME ASSURANCE LOANS					
No.	-	-	-	9	7
Amount	-	-	-	14,983	13,219
GUARANTEED LOANS					
- Farm Production					
No.	-	1	1	-	-
Amount	-	20,275	12,000	-	-
- Specific Comprehensive					
No.	-	-	-	2	-
Amount	-	-	-	120,000	(30,000)
LAND SALES					
No.	4	10	15	11	-
Amount	73,337	299,763	616,400	470,161	84,127
LAND PURCHASES					
No.	8	1	-	-	-
Amount	275,400	180,500	-	-	-
LAND LEASES *					
No.	8	-	-	-	-
TOTAL					
No.	115	124	56	88	129
Amount	1,227,963	2,861,143	2,637,133	3,628,328	5,126,322

* Value of Land Leased 275,000

These amounts are included in the above land purchases totals.

SUMMARY OF PROGRAMS

FOR THE FIVE YEARS ENDED MARCH 31

EASTERN REGION

	1977-78	1978-79	1979-80	1980-81	1981-82
DIRECT LOANS					
No.	37	36	39	50	54
Amount	725,385	1,223,766	2,594,879	3,181,879	4,156,243
CORPORATE LOANS					
No.	-	-	1	-	2
Amount	-	(2,529)	190,000	-	161,670
CROWN LANDS LOANS					
No.	-	-	-	2	14
Amount	-	-	-	53,316	260,766
STOCKER LOANS					
No.	16	16	2	(1)	(1)
Amount	273,020	419,690	35,680	(2,600)	47,000
BEEF PRODUCERS' INCOME ASSURANCE LOANS					
No.	-	-	-	11	-
Amount	-	-	-	12,286	-
GUARANTEED LOANS					
- Farm Production					
No.	-	-	1	-	5
Amount	-	-	27,500	-	141,000
- Specific Comprehensive					
No.	-	-	-	-	-
Amount	-	-	-	-	-
LAND SALES					
No.	6	3	6	7	4
Amount	117,806	79,392	158,769	459,361	97,214
LAND PURCHASES					
No.	3	-	-	-	-
Amount	102,200	-	-	-	-
LAND LEASES *					
No.	4	-	-	-	-
TOTAL					
No.	66	55	49	69	78
Amount	1,218,411	1,720,319	3,006,828	3,704,242	4,863,893

* Value of Land Leased 206,800

These amounts are included in the above land purchases totals.

(VI)

SUMMARY OF PROGRAMS

FOR THE FIVE YEARS ENDED MARCH 31

CENTRAL REGION

	1977-78	1978-79	1979-80	1980-81	1981-82
DIRECT LOANS					
No.	92	134	71	85	85
Amount	1,536,111	4,104,946	4,431,920	5,993,099	6,069,932
CORPORATE LOANS					
No.	-	2	2	-	1
Amount	-	68,937	190,500	-	450,138
CROWN LANDS LOANS					
No.	-	-	-	1	1
Amount	-	-	-	11,848	6,120
STOCKER LOANS					
No.	11	7	4	4	-
Amount	255,260	308,440	344,606	76,100	11,500
BEEF PRODUCERS' INCOME ASSURANCE LOANS					
No.	-	-	-	9	-
Amount	-	-	-	13,115	-
GUARANTEED LOANS					
- Farm Production					
No.	-	-	1	2	12
Amount	-	-	25,000	55,000	620,000
- Specific Comprehensive					
No.	-	-	-	4	2
Amount	-	-	-	289,500	155,000
LAND SALES					
No.	6	30	24	9	2
Amount	287,035	1,178,793	1,110,620	689,613	167,662
LAND PURCHASES					
No.	6	(1)	-	-	-
Amount	375,801	(133,000)	-	-	-
LAND LEASES *					
No.	10	-	-	-	-
TOTAL					
No.	125	172	102	114	103
Amount	2,454,207	5,528,116	6,102,646	7,128,275	7,480,352

* Value of Land Leased 471,860

These amounts are included in the above land purchases totals.

SUMMARY OF PROGRAMS

FOR THE FIVE YEARS ENDED MARCH 31

SOUTH WESTERN REGION

	1977-78	1978-79	1979-80	1980-81	1981-82
DIRECT LOANS					
No.	206	294	166	174	237
Amount	2,759,730	7,230,459	10,751,101	10,148,413	14,890,989
CORPORATE LOANS					
No.	-	1	1	1	-
Amount	-	36,000	25,250	50,400	-
CROWN LANDS LOANS					
No.	-	-	-	-	1
Amount	-	-	-	-	25,470
STOCKER LOANS					
No.	45	54	23	16	(1)
Amount	658,104	1,205,625	494,119	326,550	(20,600)
BEEF PRODUCERS' INCOME ASSURANCE LOANS					
No.	-	-	-	17	1
Amount	-	-	-	23,315	1,221
GUARANTEED LOANS					
- Farm Production					
No.	-	1	4	42	73
Amount	-	35,000	168,000	1,337,950	2,623,000
- Specific Comprehensive					
No.	-	-	2	9	1
Amount	-	-	263,261	587,400	55,400
LAND SALES					
No.	2	45	49	26	11
Amount	47,072	2,190,812	2,549,121	1,971,113	854,351
LAND PURCHASES					
No.	43	-	-	-	-
Amount	2,681,200	-	-	-	-
LAND LEASES *					
No.	61	-	-	-	-
TOTAL					
No.	357	395	245	285	323
Amount	6,146,016	10,697,896	14,250,852	14,445,141	18,429,831

* Value of Land Leased 3,404,600

These amounts are included in the above land purchases totals.

SUMMARY OF PROGRAMS

FOR THE FIVE YEARS ENDED MARCH 31.

NORTH WESTERN REGION

	1977-78	1978-79	1979-80	1980-81	1981-82
DIRECT LOANS					
No.	66	63	90	69	117
Amount	1,013,544	1,341,199	4,515,258	3,823,398	6,280,800
CORPORATE LOANS					
No.	-	-	-	-	-
Amount	-	-	-	-	-
CROWN LANDS LOANS					
No.	-	-	-	5	18
Amount	-	-	-	61,802	189,483
STOCKER LOANS					
No.	33	30	10	5	14
Amount	286,356	494,317	232,250	145,315	260,402
BEEF PRODUCERS' INCOME ASSURANCE LOANS					
No.	-	-	-	32	(1)
Amount	-	-	-	42,014	(1,657)
GUARANTEED LOANS					
- Farm Production					
No.	-	-	1	12	10
Amount	-	-	30,000	363,850	276,500
- Specific Comprehensive					
No.	-	-	-	10	-
Amount	-	-	-	625,000	(2,000)
LAND SALES					
No.	4	44	48	33	19
Amount	170,015	1,367,120	1,864,182	1,187,351	760,147
LAND PURCHASES					
No.	19	-	-	-	-
Amount	1,065,400	-	-	-	-
LAND LEASES *					
No.	19	-	-	-	-
TOTAL					
No.	141	137	149	166	177
Amount	2,535,315	3,202,636	6,641,690	6,249,230	7,763,675

* Value of Land Leased 868,500

These amounts are included in the above land purchases totals.

MANITOBA

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

AUDITOR'S REPORT

I report that the accounts and financial statements of The Manitoba Agricultural Credit Corporation have been examined under my direction for the fiscal year ended March 31, 1982. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the financial statements, being Exhibits A to E and Schedule 1, present fairly the financial position of The Manitoba Agricultural Credit Corporation as at March 31, 1982 and the results of its operations for the year then ended. The financial statements were prepared on an accounting basis consistent with that of the preceding year and are in agreement with the books of the Corporation.

W.K. Ziprick, C.A.,
Provincial Auditor.

June 15, 1982,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Balance Sheet
as at March 31, 1982
(with 1981 figures for comparison)

ASSETS

The Agricultural Credit Corporation Act

	1982	1981
Cash:		
On hand and in bank	$ 322,529	$ 141,876
On deposit with the Minister of Finance	926,861	95,172
	1,249,390	237,048
Accounts receivable:		
Rent	398,946	374,509
Sale of real estate	-	632,449
Conditional incentive grants and accrued interest	134,038	206,361
Other	4,074	8,373
	537,058	1,221,692
Stocker program advances receivable (Note 1)	818,385	871,920
Mortgages, chattels and agreements for sale receivable (Note 2)	151,351,278	113,794,907
Promissory notes receivable (Note 3)	3,755,162	4,308,849
Real estate (Note 4)	6,863,451	8,271,599
Unamortized debt discount and expense	87,542	93,908
	164,662,266	128,799,923

Part III of The Fisheries Act

Cash on deposit with the Minister of Finance	164,992	218,139
Term deposit with the Minister of Finance	300,000	-
Prepaid expenses	586	526
Interest receivable from the Minister of Finance	5,424	-
Loans receivable, less allowance for doubtful accounts of $116,193 (1981 - $93,901)	1,862,012	1,505,162
Chattels acquired by voluntary quit claim, at foreclosed value less recoveries	-	8,510
	2,333,014	1,732,337
	$ 166,995,280	$ 130,532,260

APPROVED ON BEHALF OF THE BOARD

Director

Director

LIABILITIES

The Agricultural Credit Corporation Act

	1982	1981
Accounts payable:		
The Province of Manitoba	$ 692,456	$ 861,838
Other	1,185,135	722,280
	1,877,591	1,584,118
Trust accounts:		
Incentive grants (Note 5)	285	11,115
Rent paid in advance	13,111	17,523
Funds held pending disposition	18,412	86,633
	31,808	115,271
Advances from the Province of Manitoba (Note 6 a))	159,320,656	123,668,323
Reserve for Working Capital:		
Balance at beginning of year and end of year	3,432,211	3,432,211
	164,662,266	128,799,923

Part III of The Fisheries Act

Accounts payable	4,725	4,048
Advances from the Province of Manitoba (Note 6 b))	2,300,000	1,700,000
Reserve for Working Capital:		
Balance at beginning of year and end of year	28,289	28,289
	2,333,014	1,732,337
	$ 166,995,280	$ 130,532,260

The accompanying notes are an integral part of these financial statements.

Exhibit B

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

The Agricultural Credit Corporation Act
Statement of Revenue and Expenditure
for the year ended March 31, 1982
(with 1981 figures for comparison)

	1982	1981
Revenue:		
Interest:		
Mortgages, chattels and agreements for sale	$ 12,043,272	$ 8,572,117
Promissory notes	475,079	487,099
Stocker program	149,758	159,481
Cash on deposit with the Minister of Finance	2,665	4,301
Term deposit with the Minister of Finance	64,512	73,373
Real estate (Note 7)	1,266,458	2,384,282
Other	10,361	8,876
	14,012,105	11,689,529
Expenditure:		
Administration, Schedule 1	1,872,622	1,742,237
Financing charges, net:		
Interest on advances from the Province of Manitoba, amortization of debt discount and service charges	14,462,791	10,613,058
Interest on livestock incentive grants	-	27,838
	14,462,791	10,640,896
Amount assumed by the Province of Manitoba	(2,323,308)	(693,604)
	12,139,483	9,947,292
	14,012,105	11,689,529
Excess of revenue over expenditure	$ -	$ -

The accompanying notes are an integral part of these financial statements.

Exhibit C

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Part III of The Fisheries Act
Statement of Revenue and Expenditure
for the year ended March 31, 1982
(with 1981 figures for comparison)

	1982	1981
Revenue:		
Interest:		
Loans	$ 242,683	$ 178,491
Term deposit with the Minister of Finance	17,149	-
Grant from the Province of Manitoba re administration costs	265,144	221,390
	524,976	399,881
Expenditure:		
Administration costs:		
Salaries	180,279	150,995
Audit fees	5,415	4,259
Bad debts	28,876	20,919
Collection expenses	827	801
Corporation capital tax	170	3,457
Data processing	6,564	5,502
Employee benefits	9,655	7,615
Furniture and fixtures	735	-
Miscellaneous	54	35
Postage	1,350	1,026
Rental of office premises	4,133	3,821
Stationery, supplies and equipment rentals	3,552	2,655
Telephone	6,389	5,439
Travelling	16,423	14,264
Workers compensation	722	602
	265,144	221,390
Financing charges, net:		
Interest on advances from the Province of Manitoba	342,827	251,442
Amount assumed by the Province of Manitoba	(82,995)	(72,951)
	259,832	178,491
	524,976	399,881
Excess of revenue over expenditure	$ -	$ -

The accompanying notes are an integral part of these financial statements.

Exhibit D

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

The Agricultural Credit Corporation Act
Statement of Receipts and Disbursements
for the year ended March 31, 1982
(with 1981 figures for comparison)

	1982	1981
Receipts:		
Advances from the Province of Manitoba	$ 39,700,000	$ 23,350,000
Collections on account of mortgages, chattels and agreements for sale:		
Principal	7,112,151	5,862,093
Interest	10,684,138	7,382,338
Other charges	477,350	274,357
	18,273,639	13,518,788
Collections on account of promissory notes:		
Principal	534,028	631,961
Interest	420,216	493,379
	954,244	1,125,340
Collections on account of stocker program advances receivable:		
Principal	724,003	1,637,977
Interest	117,692	182,693
	841,695	1,820,670
Interest:		
On cash on deposit with the Minister of Finance	2,665	4,301
On term deposit with the Minister of Finance	64,512	73,373
	67,177	77,674
Proceeds from term deposit	4,600,000	3,507,698
Proceeds from sale of real estate	529,931	1,823,004
Collections on account of land leasing	881,122	1,042,161
Collections on account of livestock incentive grants	34,014	37,438
Miscellaneous	38,943	58,773
Trust account:		
Insurance claim proceeds	119,000	37,397
Real estate sales	184,719	127,801
	303,719	165,198
Total cash receipts	66,224,484	46,526,744
Cash on hand, in bank and on deposit with the Minister of Finance at beginning of year	237,048	371,018
	$ 66,461,532	$ 46,897,762

	1982	1981
Disbursements:		
Mortgages and agreements for sale	$ 39,737,046	$ 25,224,913
Promissory notes	43,619	138,098
Stocker program	681,481	832,572
Land and building, purchases	36,625	52,857
Sundry charges on account of mortgages	478,247	284,972
Taxes charged on land leasing	180,060	245,279
Young farmer rebates	1,127,303	504,043
Financing charges paid to the Province of Manitoba:		
Interest on advances and service charges, net	12,122,510	9,917,796
Interest paid on livestock incentive grants	-	27,838
	12,122,510	9,945,634
Repayment of capital advances to the Province of Manitoba	4,047,667	3,638,269
Repayment of defaulted livestock incentive grants to the Province of Manitoba	106,016	240,932
Purchase of term deposits	4,600,000	3,507,698
Administration costs	1,663,517	1,625,622
Miscellaneous	12,302	27,338
Trust account:		
Province of Manitoba incentive grants	3,809	221,151
Other	371,940	171,336
	375,749	392,487
Total cash disbursements	65,212,142	46,660,714
Cash on hand, in bank and on deposit with the Minister of Finance at end of year	1,249,390	237,048
	$ 66,461,532	$ 46,897,762

The accompanying notes are an integral part of these financial statements.

Exhibit E

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Part III of The Fisheries Act
Statement of Receipts and Disbursements
for the year ended March 31, 1982
(with 1981 figures for comparison)

	1982	1981
Receipts:		
Province of Manitoba:		
Advances	$ 600,000	$ 100,000
Grant re administration costs	348,139	294,341
	948,139	394,341
Collection on account of loans:		
Principal	2,769,667	2,128,951
Interest	215,063	162,619
	2,984,730	2,291,570
Interest on term deposit with the Minister of Finance	11,725	-
Sale of chattels	8,510	7,216
Total cash receipts	3,953,104	2,693,127
Cash on deposit with the Minister of Finance at beginning of year	218,139	263,298
	$ 4,171,243	$ 2,956,425
Disbursements:		
Loans	$ 3,128,711	$ 2,288,285
Administration costs	234,713	198,559
Interest on advances from the Province of Manitoba	342,827	251,442
Purchase of term deposit	300,000	-
Total cash disbursements	4,006,251	2,738,286
Cash on deposit with the Minister of Finance at end of year	164,992	218,139
	$ 4,171,243	$ 2,956,425

The accompanying notes are an integral part of these financial statements.

Schedule 1

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

The Agricultural Credit Corporation Act
Schedule of Administration Expenditure
for the year ended March 31, 1982
(with 1981 figures for comparison)

	1982	1981
Salaries	$ 1,127,161	$ 980,927
Advertising	40,269	25,329
Audit fees	21,660	17,036
Bad debts - Promissory notes	124,298	96,022
- Mortgages, chattels and agreements for sale	52,680	(850)
- Stocker program	43,080	(3,394)
- Land lease program	35,180	13,725
Collection expenses	4,568	10,309
Corporation capital tax	20,593	251,463
Data processing	43,316	36,856
Directors' fees and expenses	21,473	20,175
Ear tags	2,262	1,131
Employee benefits	62,247	44,189
Guaranteed loan losses	17,445	-
Insurance	173	158
Messenger service	2,980	2,422
Miscellaneous	1,089	400
Office furniture	4,774	2,702
Office rental, cleaning, light and power	69,595	65,626
Postage	19,304	13,575
Professional fees	6,135	15,322
Property taxes	15,811	17,713
Real estate maintenance	4,883	2,580
Relocation expenses	-	4,040
Stationery, office supplies and equipment rental	36,045	33,611
Telephone	21,922	20,475
Travelling	68,609	66,240
Workers compensation	5,070	4,455
Total administration expenditure, Exhibit B	$ 1,872,622	$ 1,742,237

The accompanying notes are an integral part of these financial statements.

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Notes to the Financial Statements for the year ended March 31, 1982

1. Stocker program advances receivable consisted of the following at March 31:

	1982	1981
Renewable interest bearing advances, 18 month term	$ 872,135	$ 886,289
Interest free advances, 12 month term discontinued in 1975-76	46,546	59,060
Interest bearing advances under programs discontinued in 1974-75	75,332	88,136
Accrued interest	1,844	4,043
	995,857	1,037,528
Less: Allowance for doubtful accounts	177,472	165,608
	$ 818,385	$ 871,920

2. A summary of mortgages, chattels and agreements receivable by years in which the instalments become due is as follows:

Receivable In	1982	1981
1 year	$ 12,815,613	$ 9,209,907
2 years	4,348,186	4,424,191
3 years	2,974,197	3,940,945
4 years	2,970,825	2,427,154
5 years	3,200,599	2,328,521
6 - 10 years	16,171,262	13,315,707
Over 10 years	108,949,755	78,207,654
	151,430,437	113,854,079
Less: Allowance for doubtful accounts	79,159	59,172
	$ 151,351,278	$ 113,794,907

At March 31, 1982, accrued interest of $7,886,122 (1981 - $5,541,146) and arrears of $2,787,000 (1981 - $1,935,525) are shown as maturing in one year. Prepayments of principal from borrowers of $2,562,717 (1981 - $2,675,765) have reduced the principal which would have normally become due in one year.

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THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Notes to the Financial Statements
for the year ended March 31, 1982

3. Promissory notes receivable are comprised mainly of loans made under the Farm Diversification Plan Program of the Province of Manitoba. Since 1976, those loans, which have been made for the purchase of livestock and equipment, have been secured by means of lien notes on the said livestock and equipment. Other loans under this program are unsecured. This program was terminated in December 1978. A summary of promissory notes receivable by years in which the instalments become due is as follows:

Receivable In	1982	1981
1 year	$ 1,494,600	$ 1,335,282
2 years	550,194	556,882
3 years	550,415	573,029
4 years	417,227	552,085
5 years	348,632	446,105
6 - 10 years	731,461	1,031,999
Over 10 years	251,302	377,973
	4,343,831	4,873,355
Less: Allowance for doubtful accounts	588,669	564,506
	$ 3,755,162	$ 4,308,849

At March 31, 1982, accrued interest of $256,878 (1981 - $250,049) and arrears of $786,851 (1981 - $673,182) are shown as maturing in one year. Prepayments of principal from borrowers of $95,891 (1981 - $143,784) have reduced the principal which would have normally become due in one year.

4. Real estate consists of purchases, at cost, and foreclosures, at the lower of the foreclosed amounts or appraised values.

5. Conditional incentive grants by the Province of Manitoba for the purchases of female cattle and sheep and for the construction of milk production facilities were discontinued effective March 31, 1976. The grants for which conditions have not yet been fully complied with amounted to $25,552 as at March 31, 1982. Included in this amount were

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THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Notes to the Financial Statements
for the year ended March 31, 1982

5. (continued)

grants totalling $285 which are being held in trust at March 31, 1982, by the Corporation during the five year compliance period. During the seven year period commencing April 1, 1975, being the start of the period when requirements of the grant conditions could first be met, grants amounting to $5,170,879 have been finalized and $753,664 was repayable because of non-compliance with $76,020 of this amount outstanding as at March 31, 1982.

6. The advances from the Province of Manitoba consisted of the following at March 31:

a) The Agricultural Credit Corporation Act:

	1982	1981
Advances repayable in instalments	$ 140,470,656	$ 104,818,323
Advances repayable at maturity	18,850,000	18,850,000
	$ 159,320,656	$ 123,668,323

Advances repayable in instalments:

These advances are repayable in equal annual blended principal and interest instalments by series. The final instalment for the longest series is due on March 31, 2012. The interest rates are as follows: 7.50% - $49,317,336, 9.05% - $1,062,281, 9.25% - $911,911, 9.625% - $1,230,511, 10.4% - $1,351,373, 10.55% - $4,516,178, 12% - $28,784,442, 13.625% - $13,608,813, 14.50% - $4,787,811, 16.25% - $720,000, 16.50% - $9,080,000, 18.875% - $2,050,000, 14.85% - $50,000, 15.625% - $500,000, 16.40% - $680,000, 16.60% - $2,620,000, 17% - $320,000, 17.25% - $1,430,000, 16.375% - $2,266,000, 16.875% - $15,184,000.

Advances repayable at maturity:

These advances are $10,000,000 - 9.625% due May 1, 1989 and $8,850,000 - 12.74% due March 3, 2000.

b) Part III of The Fisheries Act:

	1982	1981
Advances repayable on demand, interest payable at prime rates	$ 2,000,000	$ 1,700,000
Advances repayable on November 13, 1982 without interest	300,000	-
	$ 2,300,000	$ 1,700,000

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THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Notes to the Financial Statements
for the year ended March 31, 1982

7. During the year ended March 31, 1982, the Corporation sold 36 of its properties. The results were as follows:

	No. Properties	Sales Proceeds	Acquisition Cost (Note 4)	Gain
Sales to Lessees				
- Outside Financing	1	$ 36,971	$ 25,385	$ 11,586
- Corporation Financing	35	1,926,530	1,477,722	448,808
	36	$ 1,963,501	$ 1,503,107	$ 460,394

The gains of $11,586 and $448,808 on sales to lessees resulted from adjustments on the exercise of purchase options by lessees of the previously charged lease rates to the lending rates in effect at the date of the lease. The total gain of $460,394 (1981 - $1,498,397) has been included in real estate revenue of $1,266,458 (1981 - $2,384,282).

8. Funds approved but not disbursed as at March 31 amounted to:

	1982	1981
a) The Agricultural Credit Corporation Act:		
Direct loans	$ 5,126,100	$ 7,993,600
Corporate loans	237,400	237,200
Stocker program	300,000	681,500
Land lease program	1,000	16,000
Crown land loans	434,200	230,900
Beef producers' income assurance plan loans	3,000	7,300
	$ 6,101,700	$ 9,166,500

The Corporate loans amount of $237,400 represents performance bond guarantees to agricultural marketing agencies.

b) Part III of The Fisheries Act:		
Direct loans	$ 356,500	$ 310,500

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THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Notes to the Financial Statements
for the year ended March 31, 1982

9. At March 31, 1982, the Corporation was contingently liable as guarantor of loans made under The Agricultural Credit Corporation Act by lending institutions as follows:

a) The Corporation is liable under its guarantee for losses sustained by the lending agencies on loans to individual farmers but the amount of liability to any one agency cannot exceed 10% of the total guaranteed loans made by the agency during a guarantee period. At March 31, the Corporation's contingent liability on the basis of 10% of loans made by agencies during various guarantee periods was:

	1982	1981
- For the three year guarantee period ended December 31, 1971	$ 5,200	$ 10,900
- For the thirty-nine month guarantee period ended March 31, 1981	175,870	208,057
- For the current three year period ending March 31, 1984	301,571	-
	$ 482,641	$ 218,957

b) The Corporation also fully guarantees loans to individuals for the purpose of farming. At March 31, 1982, these guaranteed loans amounted to $2,001,888 (1981 - $1,885,611).

10. Pensions

In accordance with the provision of the Manitoba Civil Service Superannuation Act, the Corporation contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded provision for the Corporation's employees amounted to $800,352 at December 31, 1981.